

2001 MICHIGAN MI-1040 Schedule 1

Issued under P.A. 281 of 1967. Filing is mandatory.

Attach to form MI-1040. Please type or print in blue or black ink.

Attachment Sequence No. 01

Primary Filer's First Name and Middle Initial	Last Name
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▶ Primary Filer's Social Security Number

Additions to Income

1. Gross interest and dividends from obligations issued by states other than Michigan or their political subdivisions	1.	.00
2. Deduction for taxes on, or measured by, income including self-employment tax taken on your federal return (see p. 15)	2.	.00
3. Gains from Michigan column of MI-1040D and MI-4797	3.	.00
4. Losses attributable to other states (see p. 15)	4.	.00
5. Net loss from federal column of your Michigan MI-1040D or MI-4797	5.	.00
6. Other (see p. 16). Describe:	6.	.00
7. Total additions. Add lines 1 through 6. Enter <i>here</i> and on MI-1040, line 11	7.	.00

Subtractions from Income

8. Income from U.S. government bonds and other U.S. obligations included in MI-1040, line 10	8.	.00
9. Military pay from U.S. Armed Forces included in MI-1040, line 10 (attach W-2). (Include retirement pay on line 12 of this schedule)	9.	.00
10. Gains from federal column of Michigan MI-1040D and MI-4797	10.	.00
11. Income attributable to another state. Explain type and source:	11.	.00
12. Retirement or pension benefits included in MI-1040, line 10. (Include military retirement here.) See exceptions, page 16. Name of payer:	12.	.00
13. Dividend/interest/capital gains deduction for senior citizens (see p. 17)	13.	.00
14. Social Security benefits from U.S. 1040, line 20b or U.S. 1040A, line 14b	14.	.00
15. Income earned while a resident of a renaissance zone. Name of zone:	15.	.00
16. Michigan state and local income tax refunds received in 2001 and included in MI-1040, line 10	16.	.00
17. Education Savings Program	17.	.00
18. Miscellaneous subtractions (see p. 17). Describe:	18.	.00
19. Total subtractions. Add lines 8 through 18. Enter <i>here</i> and on MI-1040, line 13	19.	.00

You must file an official Department of Treasury form for MI-1040 Schedule 1 or a Treasury-approved substitute. You may also file a photocopy of this form.

If you have additions to or subtractions from your adjusted gross income as reported on your U.S. *1040*, *1040A* or *1040EZ* you must complete MI-1040 Schedule 1 and attach it behind your MI-1040 form.

Please **separate** your MI-1040 and MI-1040 Schedule 1 at the perforation. Assemble your returns and attachments and staple in the upper left corner. A sequence number is printed in the upper right corner of the following forms to help you assemble them in the correct order behind your MI-1040 form.

- MI-1040 Schedule 1
- Nonresident and part-year resident (Schedule NR)
- Farmland credit (MI-1040CR-5)
- Schedule CR-5
- Property tax credit (MI-1040CR or MI-1040CR-2)
- College tuition credit (Schedule CT)
- Federal schedules (see Table 1, page 8)
- Schedule of Apportionment (MI-1040H)
- Qualified Adoption Expenses (MI-8839)
- Direct Deposit of Refund (3174)

Important News for 2001

Increase in Special Exemption Allowances

The special exemption allowance is \$1,900 for 2001. A special exemption allowance can be claimed for you, your spouse (if filing jointly), and your dependents. However, if a dependent of the taxpayer files an income tax return, the taxpayer and the dependent cannot both claim the special exemption for the dependent. See page 12 for more information.

Increase in Pension and Interest Deduction

For tax year 2001, pension benefits included in adjusted gross income (AGI) from a private pension system or an IRA are deductible to a maximum of \$36,090 for a single filer, or \$72,180 for joint filers.

Senior citizens age 65 or older may be able to deduct part of their interest, dividends and capital gains that are included in AGI. For 2001, the deduction is limited to a maximum of \$8,048 for single filers and \$16,095 for joint filers.

New Qualified Adoption Credit

A new tax credit is available for adoptive parents beginning in 2001. To claim this credit, a taxpayer must be eligible for and claim the federal adoption credit. The maximum Michigan credit is \$1,200 per child. For more information, request a copy of MI-8839, Qualified Adoption Expenses (see page 6).

New Charitable Distribution Subtraction

Beginning with tax year 2001, a taxpayer may deduct a distribution from a pension or retirement plan that is contributed to a qualifying charitable organization. To qualify, you must make the payment to the charity within 60 days of receiving the distribution. The deduction is limited to the amount of the charitable contribution included in federal adjusted gross income reduced by (1) any deduction taken for pension or retirement benefits, and (2) two times the total amount of credits claimed for a public contribution credit, homeless shelter/foodbank credit, and the community foundation credit.

Now Even Easier to Use Direct Deposit

Direct Deposit your Michigan income tax refund by completing the account information on page 2 of the Michigan MI-1040 Income Tax Return. Your refund is deposited safely into your bank account and is immediately available. Direct Deposit goes to the bank so you don't have to! See page 15.

Use Tax

You may pay use tax that you owe for the 2001 tax year on your 2001 MI-1040, line 28. See pages 3 and 11 for more information on use tax.

If you have questions call 1-800-487-7000. Deaf, hearing or speech impaired persons should call 517-373-9419 (TTY) for assistance. Information and forms are also available on our Web site at

www.treasury.state.mi.us